

¿Necesita usted una copia en Español? Por favor llame al 1-888-289-0710.

Dear Medicare Beneficiary:

Based on a new law passed by Congress, Medicare is testing a new way of paying for medical equipment. This new way of paying could...

- C** make access to quality medical equipment better for you,
- C** help save you money, and
- C** reduce Medicare fraud, waste and abuse.

This notice tells you about this new way of paying for medical equipment and how it will affect you. This test does not affect you if you are enrolled in a Medicare managed care plan. If you are enrolled in a Medicare managed care plan, your plan will continue to arrange for you to receive any medical equipment or supplies that you need.

Medicare will soon require companies to compete for the right to sell or rent certain medical equipment and supplies to people with Medicare in the San Antonio, Texas area - Bexar, Comal and Guadalupe counties. The categories of equipment and supplies that companies will compete to provide are:

- T** Oxygen contents, equipment and supplies
- T** Nebulizer inhalation drugs
- T** Hospital beds and accessories
- T** Manual wheelchairs and accessories
- T** Non-customized orthotics

Medicare will begin this new way of paying for the above categories of medical equipment and supplies on January 1, 2001. Medicare will continue to pay for all other home medical equipment and supplies the same way as it does today.

Suppliers that want Medicare business for these items will have to bid for it. A bid shows the prices that suppliers are willing to accept from Medicare for these items. Medicare will judge the bids based on quality and price. Those suppliers unable to show that they can provide quality

equipment and supplies or submit bid prices that are too high will not be selected as “Demonstration Suppliers.” Demonstration Suppliers are suppliers that can bill Medicare for the items and supplies listed above. Only Demonstration Suppliers can get Medicare payment for those items and services.

Medicare already started this new way of paying in Polk County, Florida in October 1999. People with Medicare in Polk County are getting quality equipment and supplies and are saving about 17 percent for certain medical equipment and supplies.

What will these changes do for me and Medicare?

Assure Quality - This new way of paying for medical equipment ensures that you and Medicare receive high quality equipment. Medicare will review the quality of a company more closely than ever before. A company that does not have quality products and supplies cannot be a “Demonstration Supplier.”

Save Money - The amount you and Medicare pay for medical equipment should be lower. Competition should help to keep prices down. Currently, medical suppliers can charge you any amount above what Medicare already pays. In this project, your copayment will be limited to 20 percent if you use a Demonstration Supplier.

Fight Waste and Fraud - This new process will help stop wasteful payment. Higher supplier standards and tighter controls will help keep suppliers from being able to sell or rent poor quality equipment to you.

How will Medicare protect me?

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You will have a Demonstration Supplier Directory.

We will give you a list of all Demonstration Suppliers before the test begins. Their addresses and phone numbers will be included. We will ask that you buy or rent the items included in this test only from these companies.

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You will not have to change your oxygen or nebulizer drug supplier, or rental agreements.

If you get oxygen or nebulizer drugs, you can keep your current supplier, even if the company is not a Demonstration Supplier. If you decide to stay with a oxygen and nebulizer drug company that is not a demonstration supplier, they will be paid the same amount as a demonstration supplier. Also, if you now rent a hospital bed or manual wheelchair from a supplier you can still remain with that supplier.

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Your relationships with doctors, hospitals and other providers will not change.

This test will only affect companies that supply the items listed on page 1. We will tell

C doctors and other health care providers about this and give them lists of the Demonstration Suppliers. They can help you choose the best supplier to meet your needs. **Medical equipment not on the list will be provided and paid for just as it is today.**

Except for the equipment and services included on page 1, all medical equipment companies can still provide items and services to people with Medicare just like they do today.

C **A special ombudsperson in San Antonio will be available to help you.**

An ombudsperson is a “Medicare Helper” who can answer your questions, make sure you get good service, and look into problems. Medicare will make sure the Demonstration Suppliers meet quality standards. We will ask you to report any problems to the ombudsperson so that they can be fixed quickly. We will send you the phone number of your ombudsperson soon.

C **Medicare will hold meetings in your community to answer your questions.**

Your ombudsperson will also hold community meetings in the San Antonio area to tell you about the test and answer your questions. You will be told about these meetings in a number of ways, including through your community centers and the media.

C **Where can I get more information about this test?**

For more information about this test call toll free 1-888-289-0710. You can call from 8:00 a.m. to 4:00 p.m. Central Time. Information about this project will also be available through senior citizen organizations and through the media.

We are working to improve Medicare for you. Thank you for your interest and help in this test. We want you to have all the information you need about the test before it starts. Therefore, we will be in touch with you again before the start of this project on January 1, 2001. By helping us make this work in San Antonio, you will help us develop a national system to save money for people with Medicare across the country.

Sincerely,



Sharon B. Arnold, Ph.D.
Director
Demonstrations and Data Analysis Group